

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE ALHAMBRA, CALIFORNIA 91803-1331

http://dpw.lacounty.gov

ADDRESS ALL CORRESPONDENCE TO: P.O. BOX 1460 ALHAMBRA, CALIFORNIA 91802-1460

December 09, 2014

The Honorable Board of Supervisors County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

34 December 9, 2014

ACTING EXECUTIVE OFFICER

BILL OF SALE FROM AERA ENERGY LLC
AND LICENSE AGREEMENT FROM
TESORO SOCAL PIPELINE COMPANY LLC AND EQUILON ENTERPRISES LLC
TO THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT
DOMINGUEZ GAP BARRIER
LAGUNA DOMINGUEZ FLOOD CONTROL SYSTEM
DOMINGUEZ CHANNEL PARCEL 94
IN THE CITY OF CARSON
(SUPERVISORIAL DISTRICT 2)
(3 VOTES)

SUBJECT

This action is to delegate authority to the Chief Engineer of the Los Angeles County Flood Control District or her designee to accept a bill of sale from Aera Energy LLC transferring ownership of an abandoned pipeline to the Los Angeles County Flood Control District and to execute a license agreement from Tesoro SoCal Pipeline Company LLC and Equilon Enterprises LLC to the Los Angeles County Flood Control District to occupy their jointly owned pipeline trestle crossing Dominguez Channel in the City of Carson.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:

- 1. Find that this action is categorically exempt from the provisions of the California Environmental Quality Act.
- 2. Approve the bill of sale for a 14-inch-diameter pipeline from Aera Energy LLC to the Los Angeles County Flood Control District.

The Honorable Board of Supervisors 12/9/2014 Page 2

- 3. Approve the license agreement allowing the Los Angeles County Flood Control District to occupy a pipeline trestle owned by Tesoro SoCal Pipeline Company LLC and Equilon Enterprises LLC.
- 4. Delegate authority to the Chief Engineer of the Los Angeles County Flood Control District or her designee to sign the bill of sale and license agreement and authorize delivery to Aera Energy LLC, Tesoro SoCal Pipeline Company LLC, and Equilon Enterprises LLC.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to allow the Los Angeles County Flood Control District (LACFCD) to obtain ownership of a 14-inch-diameter pipeline (Pipeline) from Aera Energy LLC with a bill of sale document in substantially the same form as enclosed herein (Enclosure A) and enter into a license agreement in substantially the same form as enclosed herein (Enclosure B) for said Pipeline to continue occupying a portion of an existing pipeline trestle (Trestle) owned by Tesoro SoCal Pipeline Company LLC and Equilon Enterprises LLC (Licensors). The Pipeline will then be repurposed to benefit the operations of the Dominguez Gap Barrier project (Project).

<u>Implementation of Strategic Plan Goals</u>

The Countywide Strategic Plan directs the provision of Operational Effectiveness/Fiscal Sustainability (Goal 1) as the recommended actions provide the necessary rights to convey water, compressed air, and electrical conduits to existing injection and observation wells within the Project area. The purpose of the Dominguez Gap Barrier is to protect and improve the groundwater quality, a major source of municipal water supply in the South Bay area of the County of Los Angeles, thereby improving the quality of life for local residents and businesses.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

The Pipeline is being conveyed to the LACFCD gratis. The term of the license agreement is from year to year with automatic renewals and an annual fee of \$1,500.

In addition, Licensors' periodic Trestle maintenance costs will be billed to the LACFCD at a pro rata share of pipelines that occupy the Trestle. Funding for this action is included in the Flood Control District Fund Fiscal Year 2014-15 Budget, and future funding will be requested through the annual budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Project plan design intended to install a new Pipeline under Sepulveda Boulevard, a highly populated utility and traffic corridor. During construction, Aera Energy LLC offered to convey its abandoned Pipeline to the LACFCD gratis in lieu of its expense to remove it from the adjacent channel Trestle. This was determined to be the most cost-effective and time-saving approach for the LACFCD. Licensors have consented to the LACFCD's continued use of their Trestle under a new license agreement. The Pipeline is attached to the Trestle that crosses Dominguez Channel approximately 87 feet north of the Sepulveda Boulevard centerline in the City of Carson.

The Honorable Board of Supervisors 12/9/2014 Page 3

The license agreement is authorized by Section 2, Paragraph 5, of the Los Angeles County Flood Control Act, which authorizes the LACFCD "to acquire or contract to acquire lands, rights-of-way, easements, privileges and property of every kind... to carry out any of the objectives of the act ..."

County Counsel will approve both the bill of sale and license agreement documents as to form prior to execution by the LACFCD.

ENVIRONMENTAL DOCUMENTATION

This action is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15301(b) of the CEQA Guidelines and Class 1(e) of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987. These exemptions allow for use of existing facilities of both investor- and public-owned utilities to provide electric power, natural gas, water, sewage, flood control, or other public services.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The license agreement provides for easier aboveground access to the Pipeline and allows for enhanced monitoring, data collection, and future inspection, operation, and maintenance of the pipelines and appurtenant facilities in connection with the Project by the LACFCD.

CONCLUSION

Please return one adopted copy of this letter to the Department of Public Works, Survey/Mapping & Property Management Division.

Respectfully submitted,

Hail Farher

GAIL FARBER

Director

GF:SGS:tw

Enclosures

 Auditor-Controller (Accounting Division-Asset Management)
 Chief Executive Office (Rita Robinson)
 County Counsel
 Executive Office

Enclosure A

ORIGINAL

RECORDING REQUESTED BY AND MAIL TO:

COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS
P.O. Box 1460
Alhambra, CA 91802-1460
Attention Survey/Mapping &
Property Management Division
Title & Escrow Section
Alan Husted

DUPLICATE

Space Above This Line Reserved for Recorder's Use

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE GOVERNMENT CODE.

Assessor's Identification Number: 7315-001-900 (Portion)

BILL OF SALE

AERA ENERGY LLC, a California limited liability company (hereinafter referred to as SELLER), for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, and convey unto the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as BUYER), its successors and assigns, without warranty of title, either express, statutory, or implied, all of SELLER's right, title, and interest in and to approximately two hundred thirty (230) linear feet of the Long Beach Gas Transmission Pipeline (PIPELINE) located upon the Dominguez Channel trestle, as described more particularly in Exhibit A and shown on Exhibit B attached hereto and by this reference made a part hereof; including, without limitation, all appurtenant facilities as described therewith.

THIS PIPELINE IS SOLD BY THE SELLER TO BUYER "AS IS, WHERE IS," AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS, STATUTORY, OR IMPLIED, AS TO ITS VALUE, QUALITY, CONDITION, MERCHANTABILITY, OR FITNESS FOR PURPOSE. BUYER accepts the Pipeline in its present condition and assumes full responsibility for the PIPELINE and agrees to indemnify and hold harmless SELLER, its successors, and assigns, from any and all claims for injuries or damages to persons or property caused by, arising from, or incidental to the ownership, operation, use, maintenance, repair, or removal of the PIPELINE arising on or after acceptance by the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT of this Bill of Sale.

The terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

Dominguez Gap Barrier, Unit 7B, PH 4A, PT 2B

(File: DOMINGUEZ CHANNEL 94)

EF18210122

Project ID: FCC0000783

	AERA ENERGY LLC, a California
	limited liability company, Seller
	By (SD Oe)
	V 500 D. 1
	Name: 100yd
	Title: Attorney-in-Fact
	Ву
	Name:
	Title:
	LOS ANGELES COUNTY FLOOD CONTROL DISTRIC
	LOS ANGELES COUNTY FLOOD CONTROL DISTRIC a body corporate and politic, Buyer
	a body corporate and politic, Buyer
	a body corporate and politic, Buyer By
(LACFCD-SEAL)	a body corporate and politic, Buyer
	ByChairman, Board of Supervisors of the
ATTEST:	ByChairman, Board of Supervisors of the
ATTEST: SACHIA. HAMAI, Executive Officer of the Board of Supervisors	ByChairman, Board of Supervisors of the Los Angeles County Flood Control District
ATTEST: SACHIA. HAMAI, Executive Officer	ByChairman, Board of Supervisors of the
ATTEST: SACHIA. HAMAI, Executive Officer of the Board of Supervisors of the County of Los Angeles	ByChairman, Board of Supervisors of the Los Angeles County Flood Control District
ATTEST: SACHIA. HAMAI, Executive Officer of the Board of Supervisors	ByChairman, Board of Supervisors of the Los Angeles County Flood Control District
ATTEST: SACHIA. HAMAI, Executive Officer of the Board of Supervisors of the County of Los Angeles By Deputy	ByChairman, Board of Supervisors of the Los Angeles County Flood Control District
ATTEST: SACHIA. HAMAI, Executive Officer of the Board of Supervisors of the County of Los Angeles By Deputy APPROVED as to form	ByChairman, Board of Supervisors of the Los Angeles County Flood Control District
ATTEST: SACHIA. HAMAI, Executive Officer of the Board of Supervisors of the County of Los Angeles By Deputy APPROVED as to form MARK J. SALADINO	ByChairman, Board of Supervisors of the Los Angeles County Flood Control District
ATTEST: SACHIA. HAMAI, Executive Officer of the Board of Supervisors of the County of Los Angeles By Deputy APPROVED as to form	ByChairman, Board of Supervisors of the Los Angeles County Flood Control District

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California

County of Kern

On January 24, 2012, before me, Patricia Lynch, personally appeared J. C. Boyd, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

PATRICIA L. LYNCH
COMM. #1947567
NOTARY PUBLIC • CALIFORNIA
KERN COUNTY
My Comm. Exp. Aug. 11, 2015

Signature:

Notary Public

Place Notary Seal Above

Pursuant to the authorit	ty delegated on	, by the Board of
	ngeles County Flood Control District	
	id District by the Director of Public V	
Angeles on the	day of	, 20
	LOS ANGELES COUNTY FLOO	
	a body corporate and politic, Buy	er
	GAIL FARBER	
	Director of Public Works	
	BySteven G. St	ainhaff
	Assistant Deputy	
	Survey/Mapping & Property Ma	
	Gurvey/Mapping & Froperty Mi	anagomone biviolon
APPROVED AS TO FORM		
MARK J. SALADINO		
County Counsel		
By Carole Sim	4.+	
Deputy		
Бериту		-

.

	KNOWLEDGMENT FORM FOR COUNTY USE ONLY)
STATE OF CALIFORNIA) ss.	
COUNTY OF LOS ANGELES)	
On	_, before me, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the
County of Los Angeles, personally appeared _	
	who proved to me on the basis of satisfactory evidence to be the
person(s) whose name(s) is/are subscribed to the same in his/her/their authorized capacity(ie	he within instrument and acknowledged to me that he/she/they executed s), and that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s)	acted, executed the instrument.
I certify under PENALTY OF PERJURY under true and correct.	er the laws of the State of California that the foregoing paragraph is
WITNESS my hand and official seal.	
DEAN C. LOGAN, Registrar-Recorder County Clerk of the County of Los Ang	/ eles
Ву	
Deputy County Clerk	
	(Seal)

APPROVED as to title and execution,
, 20 DEPARTMENT OF PUBLIC WORKS Survey/Mapping & Property Management Division
Supervising Title Examiner
By

EXHIBIT A

TO THAT CERTAIN BILL OF SALE DATED JANGARY Z 4 , 20 12,

BY AND BETWEEN

AERA ENERGY LLC

AND

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

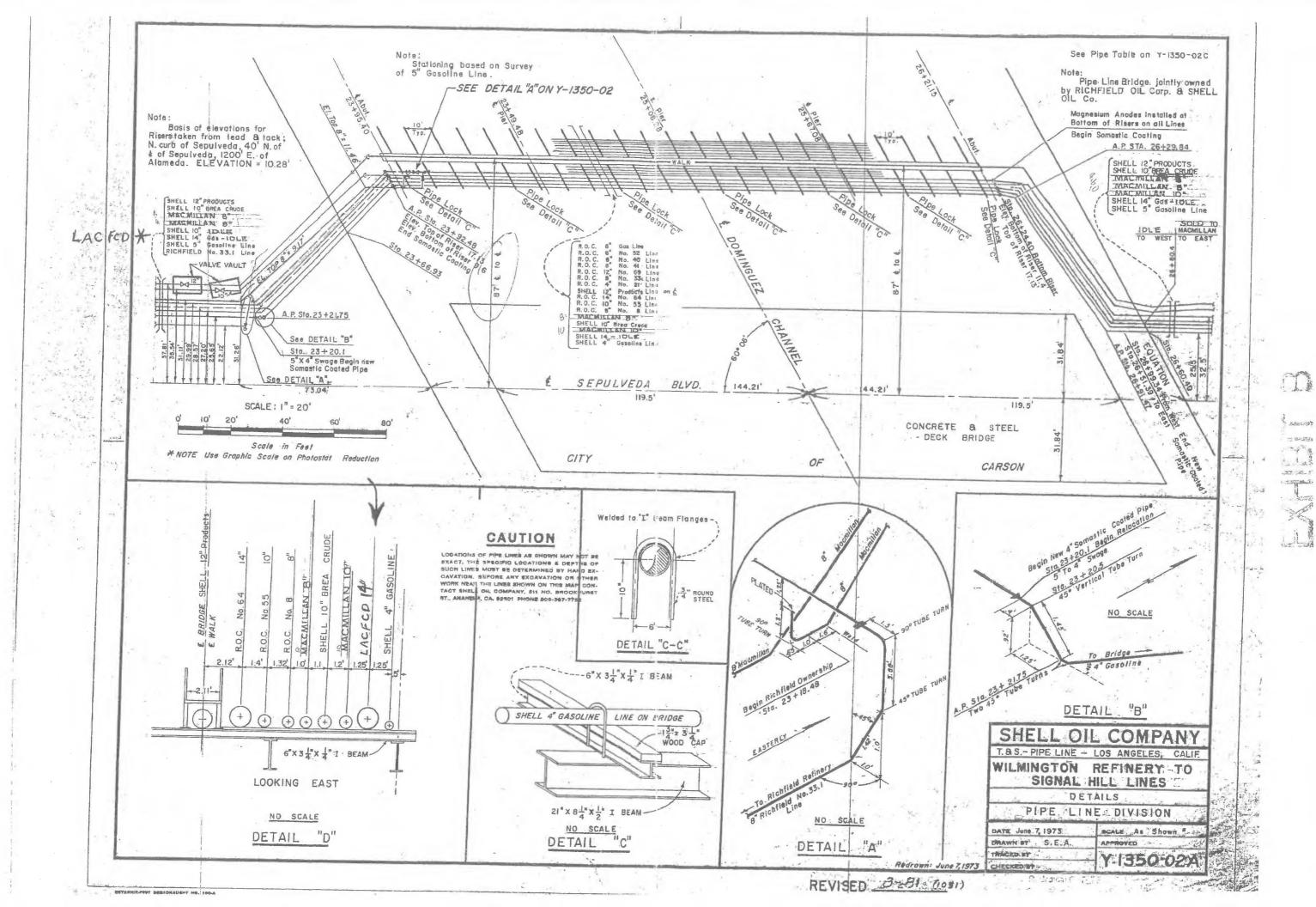
DOMINGUEZ CHANNEL TRESTLE LONG BEACH GAS TRANSMISSION PIPELINE

That portion of the Long Beach Gas Transmission Pipeline located upon the Dominguez Channel trestle at approximately eighty-seven (87) feet north of Sepulveda Boulevard in the City of Carson, County of Los Angeles, State of California, and consisting of approximately two hundred thirty (230) linear feet of 14-inch diameter pipeline and appurtenances.

All equipment associated with said two hundred thirty (230) feet pipeline including, but not limited to meters, valves, fittings, and other appurtenances thereof.

All easements, licenses, rights of way, permits, franchises, and other agreements associated with said two hundred thirty (230) feet of pipeline, together with but not limited to, all right, title and interest of Aera Energy LLC, a California limited liability company, in and to said pipeline.

bos-dominguez channel 94 (exhibit a).docx



Enclosure B

DUPLICATE

LICENSE AGREEMENT

This License Agreement, entered into this ____ day of ____ 2014 (the "Effective Date"), by and between Tesoro SoCal Pipeline Company LLC, a Delaware limited liability company, and EQUILON ENTERPRISES LLC, dba SHELL OIL PRODUCTS US, a limited liability company, hereinafter collectively referred to as "Licensor" and the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic, hereinafter referred to "Licensee".

WITNESSETH

WHEREAS, Licensor owns, operates and maintains a trestle (the "Trestle") for pipelines across Dominguez Channel at approximately eighty-seven (87) feet north of Sepulveda Boulevard, in the County of Los Angeles, State of California, and shown on Exhibit "A" attached hereto and made a part hereof, and

WHEREAS, Aera Energy LLC ("Aera") owned that certain 230+ linear feet of 14 inch pipeline and certain equipment located on and across the Trestle, commonly known as the Long Beach Gas Transmission Pipeline (the "Pipeline"); and

WHEREAS, on January 24, 2012, Aera executed a Bill of Sale whereby Aera transferred its rights and ownership in the Pipeline to Licensee; and

WHEREAS, Licensee now desires to operate and maintain said Pipeline on the Trestle, and

WHEREAS, Licensor and Licensee now desire to enter into a License Agreement to allow Licensee to attach, operate, maintain, renew and remove the Pipeline on and across the Trestle as more particularly set forth below.

NOW, THEREFORE, for and in consideration of the mutual covenants, promises and agreements herein made, Licensor hereby grants to Licensee permission to attach, maintain, operate, renew and remove the Pipeline on and across the Trestle, subject to the following terms, provisions and conditions:

The term of this License Agreement shall run from year-to-year, provided, however, this License Agreement may be terminated by either party hereto by giving to the other party no less than one hundred and eighty (180) days' notice in writing to that effect. In the event of any termination, the prepaid rental for any unearned period shall be duly prorated and returned to Licensee. If, after written notice, Licensee fails to remove the Pipeline as provided in Section 5 such holding over shall not operate to extend or renew this License Agreement unless mutually agreed, and shall entitle Licensor to recover from Licensee all damages resulting from such holdover, including but not limited to the rental value of the Premises during the period of holding over. This License Agreement may be used by

- Licensee to attach, maintain, operate, renew and remove the Pipeline on and across the Trestle and for no other use or purpose.
- Licensee shall pay to Licensor the sum of One Thousand Five Hundred Dollars (\$1,500) (the "License Fee") annually in advance, payable upon the Effective Date. The annual License Fee shall be revised on each anniversary of the Effective Date in the same ratio as the Producer Price Index, All Commodities (1982=100) published by the United States Bureau of Labor Statistics, for the month prior to the month in which the License Fee is due varies from said Index for the month and year in which this License Agreement is executed, however, in no case shall the License Fee be revised downward.
- Licensee shall maintain its Pipeline at its own risk and expense in good 3) order, repair and condition and in conformity with any and all laws and ordinances and governmental regulations applicable thereto. Licensee represents and warrants that Licensee's business and all activities to be performed by Licensee on the Trestle shall comply with all statutes, ordinances, laws and regulations applicable to the Pipeline and to Licensee's activities on the Trestle (specifically including, without limitation, laws relating to hazardous or toxic wastes, materials or substances); and Licensee agrees to change any such activity or install necessary equipment, safety devices, or other installations at any time during the term to so comply therewith. Licensee agrees not to commit or permit waste upon the Trestle. Licensee's use is subject to the following limitations: (a) all Licensee activities must comply with all applicable zoning, health, safety, environmental and other laws, rules, and regulations applicable to the Pipeline; (b) Licensor makes no representation or warranty of any kind whatsoever regarding the suitability of the Trestle for the intended use by Licensee; (c) Licensee acknowledges that it has elected to enter into this License Agreement for the use of the Trestle based solely on its own independent investigation and evaluation of the condition and suitability of the Trestle; (d) Licensee accepts the Trestle in its present "AS IS" condition; and (e) Licensee shall conduct its activities on the Trestle so as to avoid any interference with neighboring business establishments, including without limitation, any other licensee's occupancy or use of the Trestle and any other licensee's pipelines located on the Trestle. Licensee is aware of legal and physical conditions affecting the Trestle. Unless otherwise agreed separately in writing, Licensee shall be solely responsible for any and all costs and expenses of its business, work, and activities on the Trestle and using this License Agreement, including but not limited to permit fees, filing fees, engineering expenses, testing and inspection fees, construction costs and reasonable attorneys' fees, costs and expenses.

- 4) Licensee shall not interfere with Licensor's use of the Trestle or with Licensor's pipelines thereon. Licensor reserves all rights in and with respect to the Trestle not inconsistent with Licensee's use of the Trestle as provided in this License Agreement, including (without in any way limiting the generality of the foregoing) the rights of Licensor to enter upon the Trestle or to give licenses to others for any purpose.
- Licensee agrees that upon termination of this License Agreement, it will remove all of its Pipeline and all appurtenances connected therewith from the Trestle and shall promptly repair any damage to the Trestle or other pipelines caused by such removal but, if it should fail so to do within one hundred and twenty (120) days after such termination, Licensor may so do, and all reasonable cost and expense incurred by Licensor for such removal and the restoration of the Trestle as aforesaid, together with interest thereon at the lesser rate of ten percent (10%) per annum or the then legal rate of interest, shall be paid by Licensee to Licensor within 30 days of receipt of written demand.
- This License Agreement is personal to Licensee and Licensee shall not grant, lease, sublease, sell, assign or transfer any right or privilege arising out of this License Agreement to any person, firm, or corporation without an express, written prior consent of Licensor, which consent shall not be unreasonably withheld. Any transfer without such consent shall be void and of no effect whatsoever and shall be a material default under this License Agreement.
- 7) This License Agreement is given only insofar as it pertains to Licensor's interest in the Premises, and Licensor makes no warranty, express or implied, of its title to or interest in the Trestle.
- 8) Except as might otherwise be specifically provided in this License Agreement and subject to the terms and provisions of this License Agreement, the maintenance of the Trestle shall be under the direction of Licensor, and Licensor shall maintain the Trestle in a satisfactory condition for normal pipeline operations. Licensor shall not, however be liable for damages to the Pipeline for failure to do so.
- 9) In the event any future alterations of the Trestle necessitates changes in pipeline installations upon the Trestle, Licensee will make such changes to its Pipeline as may be necessary in connection with said alterations at its sole cost and expense.
- 10) Licensor does not warrant the condition of the Trestle or its load-carrying capacity and shall be under no obligation to Licensee for damage to its Pipeline by reason of any structural defect therein.

- Licensor and Licensee agree that the total annual Trestle maintenance 11) costs as determined by Licensor shall be allocated and shared by all parties (Licensor, Licensee, and/or any third parties with pipelines on the Trestle) in accordance with the ratio as determined by Licensor that the sum in inches of the outside diameters of each party's pipelines on the Trestle plus six (6) inches for each thereof bears to the sum in inches of the outside diameters of all pipelines on the Trestle plus six (6) inches for each thereof. As of the date of this License Agreement, Licensee's percentage is determined to be 7.09%. Therefore, in addition to any License Fees and any other sums owing under this License Agreement, Licensee shall pay to Licensor, immediately upon receipt from Licensor of any invoice therefor (which Licensor may issue at any time and from time to time in its discretion), 7.09% of the total annual Trestle maintenance costs as determined by Licensor. Beginning one (1) year after the date of this License Agreement and continuing on each anniversary thereafter, Licensor shall calculate pursuant to the above methodology Licensee's percentage responsibility of total annual Trestle maintenance costs as determined by Licensor and shall inform Licensee of same. For purposes of this License Agreement, such calculation shall establish Licensee's responsibility of total annual Trestle maintenance costs as determined by Licensor until Licensor's next annual calculation of such proportionate responsibility. Licensee shall pay within 30 days of receipt of any invoice issued by Licensor (which Licensor may issue at any time and from time to time in its discretion) for Licensee's share of total annual Trestle maintenance costs as determined by Licensor. Attached hereto as Exhibit "B" is a listing of the total annual Trestle maintenance cost percentages allocated to the owners of all pipelines (including the Pipeline) located on and across the Trestle on the Effective Date of this License Agreement.
- Licensee shall and will pay, before the same becomes delinquent, all charges, taxes, rates and assessments upon or against its said Pipeline and other personal property, but Licensor may, at any time after any delinquency, and with thirty (30) calendar days notice to Licensee pay and discharge all of such delinquent charges, taxes, rates and assessments, after reasonable verification thereof, and all such payments so made by Licensor, with interest thereon at the lesser rate of ten percent (10%) per annum or the then legal rate of interest, from date of payment, will be paid by Licensee to Licensor immediately upon demand. The amount of such payments and interest shall be a charge and lien against the Pipeline and other property placed by or for Licensee on the Trestle.
- 13) Licensee agrees, during the term of this License Agreement, at Licensee's cost and expense, to procure and maintain in full force and effect personal injury and property damage liability insurance with a combined single limit of not less than \$5,000,000 insuring against any and all liability of Licensee with respect to the its use or occupancy of the Trestle. Such

insurance shall also insure the performance by Licensee of the indemnity agreement contained in this paragraph of this License Agreement. The limits of said policies shall not limit the liability of Licensee under this License Agreement. The Los Angeles County Flood Control District is self-insured and will provide evidence of self insurance to fulfill the requirements of this section, upon written request.

Licensee agrees that Licensor shall not at any time or to any extent whatsoever be liable, responsible, or in any way accountable for any loss, or damage to the Pipeline, which at any time may be suffered or sustained by Licensee. Licensee shall forever indemnify, defend, hold and save Licensor free and harmless of and from any and all claims, liability, loss, cost or damage whatsoever, including attorneys' fees and costs, on account of or arising from Licensee's maintenance, use, repair or operation of the Pipeline on the Trestle. Licensee agrees to keep the Trestle and every part thereof free and clear of and from any and all mechanics, materialmen's and other such liens, and Licensee shall promptly and fully pay and discharge any and all claims upon which any such lien is based, unless Licensee in good faith disputes lien. Licensee shall save and hold Licensor and the Trestle free and harmless of and from any and all such liens and claims of liens.

- In the event either party institutes any suit to enforce the provisions hereof or to collect any damages hereunder for breach of the terms or conditions hereof, the prevailing party shall be entitled to reimbursement of its costs incurred in connection with such suit to be fixed and allowed by the court from the non-prevailing party.
- 15) <u>Events of Default; Remedies</u>. Licensee shall be in default under this License Agreement if:
 - (a) Licensee shall fail to make any payment of the License Fee or any other sums payable hereunder, and such failure shall continue for thirty (30) calendar days after Licensee's receipt of written notice from Licensor that said License Fee or monetary obligation is due and payable as provided in this License Agreement; or
 - (b) Licensee shall neglect or fail to perform or observe any of the covenants herein contained on Licensee's part to be performed or observed, and Licensee shall fail to remedy the same within thirty (30) calendar days after Licensor shall have given to Licensee written notice specifying such neglect or failure.
 - (c) In the event of any default by Licensee, and with 30 days written notice to Licensee, Licensor shall have the right at its election, then or at any time thereafter, to:

- (1) Terminate this License Agreement, which shall terminate Licensee's right to the use and occupancy of the Trestle, and Licensee shall surrender its occupancy of the Trestle to Licensor in compliance with Section 5; or
- (2) Re-enter and take occupancy of the Trestle or any part thereof as provided by law, in which event this License Agreement shall terminate effective when Licensor takes occupancy; or
- (3) Continue this License Agreement in effect and enforce any or all rights and remedies of Licensor under this License Agreement, including the right to recover License Fees and charges as they become due under this License Agreement, for so long as License Agreement remains in effect.; or
- (4) Seek any legal or equitable relief permitted by law.
- (d) If Licensor terminates this License Agreement for Licensee default as provided above, Licensor shall have the right to recover from Licensee any amount necessary to compensate Licensor for all detriment proximately caused by Licensee's breach or which in the ordinary course of things would be likely to result therefrom; such as, the cost of recovering possession of the Trestle, necessary repair, renovation, or alteration of the Trestle, and care and safekeeping of the Trestle.
- (e) If Licensee shall breach this License Agreement and abandon the Pipeline, this License Agreement shall continue in full force and effect for so long as neither party terminates this Agreement, and Licensor may enforce all of its rights and remedies under this License Agreement, including but not limited to the right to recover License Fees, Licensee's total annual allocation of Trestle maintenance costs, and other monetary obligations of Licensee under this License Agreement as they become due. For the purposes of this License Agreement, the following acts by Licensor shall not constitute a termination of Licensee's right to possession of the Pipeline: (i) maintenance or preservation of the Trestle or (ii) the appointment of a receiver upon initiative of Licensor to protect its interest under this License Agreement.

16) General.

(a) The specific remedies to which Licensor may resort under the terms of this License Agreement are cumulative and are not intended to be exclusive of any other remedies or means of redress

- to which it be lawfully entitled in case of any breach or threatened breach of any provision of this License Agreement.
- (b) The covenants and agreements herein contained shall bind and inure to the benefit of Licensor, its successors and assigns; and Licensee, its permitted successors and assigns, subject to the provisions of this License Agreement.
- (c) Any notice or demand required or permitted by law or by any of the provisions of this License Agreement shall be in writing. All notices or demands by Licensor to Licensee shall be deemed to have been properly given when served personally on Licensee or when sent by reputable overnight courier or registered or certified mail, postage prepaid, addressed to Licensee at the last known address of Licensee. All notices or demands by Licensee to Licensor shall be deemed to have been properly given if served personally on Licensor or when sent by reputable overnight courier or registered or certified mail, postage prepaid, addressed to Licensor at the last known address of Licensor. Any party hereto may change the place to which notices are to be given by advising the other party in writing.
- (d) Time is hereby expressly declared to be of the essence of this License Agreement and of each and every covenant, term, condition or provision hereof.
- (e) This License Agreement contains the entire agreement of the parties respecting this transaction; no prior or contemporaneous agreement or understanding shall be effective for any purpose. This License Agreement may only be amended or modified by a writing signed by Licensor and Licensee.
- (f) Licensee will not claim at any time that its existing interest or estate in the real property on which the Trestle is located grants rights to attach, maintain, operate, renew and remove its Pipeline on and across the Trestle other than as expressly set forth herein.
- (g) EQUILON ENTERPRISES, LLC dba SHELL OIL PRODUCTS US ("SHELL") hereby appoints Tesoro as SHELL's duly designated agent and representative and lawful attorney-in-fact, and vests full authority and discretion to Tesoro to execute whatever documents and to take whatever other steps are necessary or appropriate in Tesoro's sole judgment to administer and manage this License Agreement as Licensor, including without limitation, determining, imposing and collecting the foregoing allocation methodology of total annual Trestle maintenance costs on

Licensee, and exacting and collecting the License Fee for Licensee's use of the Trestle for its Pipeline, as well as advancing to SHELL, SHELL's share of such collected third party charge or fee.

IN WITNESS WHEREOF, the parties hereto have caused this License to be executed in triplicate as of the date first hereinabove written.

LICENSOR:

EQUILON ENTERPRISES, LLC dba SHELL OIL PRODUCTS US

By: U. 1 Clears Its: Afformer in Fact

TESORO SOCAL PIPELINE COMPANY LLC

V. Red Ne

Its: VICE PRESIDENT OPERATIONS

[Signatures Continued on Next Page]

Pursuant to the authority delegated on of Supervisors of the Los Angeles County Flood Control District, this Licer has been executed on behalf of said District by the Director of Public County of Los Angeles on the day of	Works of the
LOS ANGELES COUNTY FLOOD CONTROL DIS a body corporate and politic, Licensee	STRICT,
GAIL FARBER	
Director of Public Works	
By:	
Steven G. Steinhoff	
Assistant Deputy Director	
Survey/Mapping & Property Management Div	vision
APPROVED AS TO FORM	
MARK J. SALADINO	
County Counsel	
By: Carole Suzuki	
Deputy	

STATE OF CALIFORNIA) ss. COUNTY OF LOS ANGELES On, before me, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, personally appeared who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they execute the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph true and correct. WITNESS my hand and official seal. DEAN C. LOGAN, Registrar-Recorder/County Of Los Angeles	A	ACKNOWLEDGMENT FORM (FOR COUNTY USE ONLY)
County of Los Angeles, personally appeared who proved to me on the basis of satisfactory evidence to be to person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they execute the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph true and correct. WITNESS my hand and official seal. DEAN C. LOGAN, Registrar-Recorder/) ss.	(I OK OODIN I OOL ONL!)
who proved to me on the basis of satisfactory evidence to be to person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they execute the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph true and correct. WITNESS my hand and official seal. DEAN C. LOGAN, Registrar-Recorder/	On	, before me, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they execut the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph true and correct. WITNESS my hand and official seal. DEAN C. LOGAN, Registrar-Recorder/	County of Los Angeles, personally appeared	
DEAN C. LOGAN, Registrar-Recorder/	or the entity upon behalf of which the person((s) acted, executed the instrument.
	WITNESS my hand and official seal.	
Deputy County Clerk	By Deputy County Clerk	and a section of a
Separty Country Clerk	Deputy County Claim	
(Seal)		(Seal)

APPROVED as to title and execution,

Supervising Title Examiner

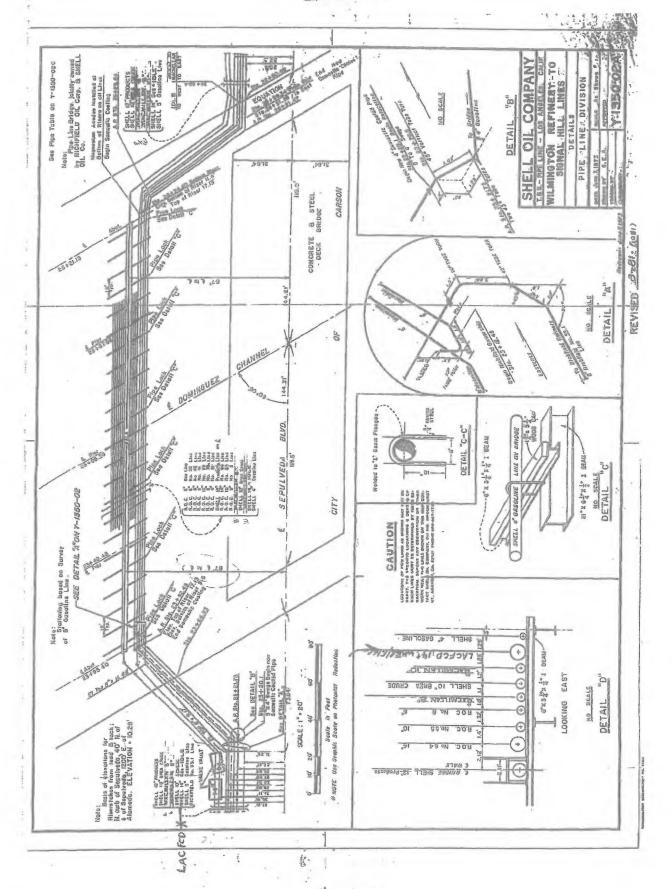


EXHIBIT B

PRESENT OWNERSHIP OF PIPELINES ON SEPULVEDA TRESTLE

OPERATOR	PIPELINE SIZE	TOTAL INCHES	PERCENTAGE
Kinder Morgan	16"	16" + 6" = 12"	7.8%
CHEMOIL	899	8" + 6" = 14"	
CHEMOIL	10"	10" + 6" = 16"	
	Total = 18"	Total = 30"	10.64%
Pacific (Line 52)	633	6" + 6" = 12"	4.26%
Crimson	10"	10" + 6" = 16"	5.67%
Chevron	4,39	4" + 6" = 10"	3.55%
Shell	12"	12" + 6" = 18"	6.38%
LA Co. Flood Control District	14"	14" + 6" = 20"	7.09%
Tesoro SoCal Pipeline Company LLC (Line 71)	12"	12" + 6" = 18"	
Tesoro SoCal Pipeline Company LLC (Line 70)	6"	6" + 6" = 12"	
Tesoro SoCal Pipeline Company LLC (Line 69)	12"	12" + 6" = 18"	
Tesoro SoCal Pipeline Company LLC (Line 49)	8"	8" + 6" = 14"	
Tesoro SoCal Pipeline Company LLC (Line 64)	14"	14" + 6" = 20"	
Tesoro SoCal Pipeline Company LLC (Line 32)	10"	10" + 6" = 16"	
Tesoro SoCal Pipeline Company LLC (Line 34)	8"	8" + 6" = 14"	

Tesoro SoCal Pipeline Company LLC (Line 8/104)	10"	10" + 6" = 16"	
Tesoro SoCal Pipeline Company LLC (Line 212)	6°°	6" + 6" = 12"	
Tesoro SoCal Pipeline Company LLC (Line 40)	8"	8" + 6" = 14"	
	Total = 94	Total = 154"	54.61%
TOTAL SUMMARY	TOTAL = 174°°	TOTAL = 282"	100.00%